

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7223

BILL NUMBER: SB 263

DATE PREPARED: Apr 10, 2001

BILL AMENDED: Apr 9, 2001

SUBJECT: Poor Relief and Division of Family and Children Matters.

FISCAL ANALYST: Alan Gossard

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FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill requires a township trustee to process only completed applications for Poor Relief. The bill provides circumstances under which a township trustee may authorize the payment of delinquent bills for certain utility services. The bill also allows a township trustee to require individuals needing insulin to make a regular application for Poor Relief assistance before receiving free insulin a second time. The bill also provides that in an appeal for an individual's eligibility for Poor Relief, the Board of Commissioners and the hearing officer may not consider any evidence that was not presented to the trustee.

Effective Date: July 1, 2001.

Explanation of State Expenditures: (Revised) *Burial Provisions:* This bill is estimated to result in additional burial expenditures to the state of \$1,680,000. The bill would double the amount paid to funeral directors and cemeteries for services provided to public assistance recipients or their parents and to persons receiving Supplemental Assistance or who were aged, blind, or disabled and Medicaid eligible at the time of death. The bill would increase payments to funeral directors from \$600 to \$1,200; payments to cemeteries would increase from \$400 to \$800. The bill would also remove the Division Director's discretion to pay these expenses. *(The payments for burials for the aged, blind, or disabled eligibles were suspended for several years in the mid 1990's due to restricted funding availability under this discretionary provision.)*

The Medicaid eligible burial assistance program has been averaging 154 burials at an average cost of \$909 each for the first 5 months of FY 2001. (Current maximum reimbursement per burial is 1,000.) Assuming the average number will remain at 154 per month, and that once the maximum is increased, the average cost per burial will remain at the same percentage of the available total, the additional cost of the burials is estimated to be \$1,680,000. (154 x \$909 x 12). The burial reimbursement program for public assistance eligible individuals would be similarly affected. However, the program is much smaller and subject to more variability than the program for Medicaid eligibles making the total impact more difficult to estimate. *(The*

Burial Reimbursement appropriation for public assistance is \$25,000 each year.) The Family and Social Services Administration (FSSA) believes that no additional appropriation will be needed to provide funds for this increase in cost. FSSA proposes to transfer \$1.5 M from the Welfare Tax Levy Replacement Fund to cover the increased funds required.

Renaming of the Bureau of Community Services: The renaming of the Bureau of Community Services to the Bureau of Family Resources would require administrative revisions of rules and printed materials. The Division reports that these costs can be absorbed within the current level of funding.

CPR Certification for Employees of Child Care Facilities: The provision requiring current as opposed to annual CPR certification for employees of child care facilities reflects the standard practice of the American Heart Association (AHA) to issue course cards that are valid for two years. The AHA web page also states that “employers may determine if their employees need more frequent training”.

Explanation of State Revenues: (Revised) See Explanation of State Expenditures, above, regarding federal reimbursement in the Medicaid program. Medicaid expenditures are shared between the federal government (about 62%) and the state (about 38%).

Explanation of Local Expenditures: (Revised) *Poor Relief Provisions:* This bill also contains several provisions that potentially can reduce costs or increase reimbursements within a township's Poor Relief program. A provision allowing families of Poor Relief recipients to superintend the recipient's funeral may increase the costs associated with Poor Relief recipients. The aggregate savings or increased expenditures that may occur in Indiana's 1,008 township Poor Relief programs can not be projected and will depend largely on individual trustee actions. The following are provisions of the bill that could impact costs or reimbursements in a township's Poor Relief program:

Denial of Assistance - Current law provides that a township may not provide assistance to a person for a period for which the person was ineligible. This bill extends this provision such that another member of the person's household cannot request assistance for the period for which the original applicant was denied assistance.

Work Training - This provision permits the trustee to require Poor Relief recipients to participate in work training offered by a non-profit agency as well as already permitted governmental entities.

Delinquent Utilities - This provision provides that a township is not required to pay delinquent utility bills that are more than 24 months old and that the township is only responsible for delinquent utility bills if the applicant was eligible for Poor Relief at the time the delinquencies were incurred. The bill further limits payment for delinquent utility bills to applicants who actually received the services and were legally responsible for payment. This bill also prevents a utility company from requiring townships to pay deposits.

Payment for Insulin - This bill provides that after a trustee is presented a second claim for insulin, the trustee may require the person to complete a Poor Relief application and may conduct an investigation to determine the financial need for the insulin. The township shall continue to furnish insulin until the trustee completes an investigation and determines the individual's ability to pay. (Current law provides that, if a doctor certifies that the Poor Relief applicant is unable to pay for the insulin, the trustee must provide payment.)

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, Division of Family and Children.

Local Agencies Affected: Townships.

Information Sources: Auditor's Minor Object Code system, Fund /Centers 1000/105060, Burial Reimbursement - AFDC and 1000/105090, Medicaid Disability Eligibility Exams. American Heart Association Web Page (http://www.proed.net/ecc/T_courses/Tcourse_menu.htm), Susan Preble, Legislative Liaison for the Family and Social Services Administration, 232-1149.